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HOUSE BILL 787

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

TIMOTHY E. MACKO

AN ACT

RELATING TO TRANSPORTATION; ABOLISHING THE STATE TRANSPORTATION
AUTHORITY; TRANSFERRING PERSONNEL, ASSETS AND OBLIGATIONS;
REPEALING THE RESOURCE TRANSPORTATION AND PASSENGER
TRANSPORTATION DEVELOPMENT ACT; AUTHORIZING THE STATE HIGHWAY
COMMISSION TO ISSUE REVENUE BONDS AND REFUNDING BONDS; PROVIDING
THE STATE HIGHWAY COMMISSION WITH THE POWER OF EMINENT DOMAIN;
REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of Chapter 67, Article 3 NMSA
1978 is enacted to read:

" [NEW MATERIAL] STATE HIGHWAY COMMISSION-- POWERS OF
EMINENT DOMAIN. --

A. The state highway commission shall have the power
to acquire property by purchase, lease, gift, devise or eminent

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1 domain for the construction and maintenance of transportation
2 systems, communication and transportation structures and other
3 facilities necessary for the operation of transportation
4 systems.

5 B. The state highway commission shall have the
6 authority to acquire property from any person, governmental
7 entity or Indian tribe or pueblo for the purposes set forth in
8 this section."

9 Section 2. A new section of Chapter 67, Article 3 NMSA
10 1978 is enacted to read:

11 "[NEW MATERIAL] TRANSPORTATION BONDS. --

12 A. Whenever the state highway commission by
13 resolution determines that interest or necessity demands the
14 issuance of revenue bonds to finance the development and
15 construction of transportation systems, it may, by resolution,
16 make and issue state revenue bonds which shall be known as
17 "transportation bonds". Such bonds shall be payable solely out
18 of the net income to be derived from the operation of the
19 project and shall pledge, irrevocably, such income to the
20 payment of those bonds. The state board of finance may require
21 such other guarantees as it deems necessary. The bonds shall
22 never become a general obligation of the state or any political
23 subdivision.

24 B. The proceeds from the sale of transportation
25 bonds shall be used solely for the purposes specified in the

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1 resolution and for which they were issued. "

2 Section 3. A new section of Chapter 67, Article 3 NMSA
3 1978 is enacted to read:

4 " [NEW MATERIAL] TRANSPORTATION BONDS--TERMS. --

5 Transportation bonds issued by the state highway commission:

6 A. shall bear interest which at the time of
7 commitment shall be equal to the market return on comparable
8 investments but shall not be less than the average rate of
9 interest or return on all the investments of the severance tax
10 permanent fund for the immediately preceding fiscal year minus
11 two percentage points previous to their issue;

12 B. shall be payable at such times as the commission
13 may provide and shall be fully registered as to principal and
14 interest;

15 C. may be subject to prior redemption at the
16 commission's option at such time and upon such terms and
17 conditions, with or without payment of premiums, as may be
18 provided in the resolution of the commission;

19 D. may mature at any time not exceeding fifty years
20 after the date of issuance;

21 E. may be serial in form and maturity and may
22 consist of one bond payable at one time or in installments;

23 F. shall be sold for cash at, above or below par and
24 at the effective interest rate permitted in this section; and

25 G. may be sold at a public or private sale. "

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1 Section 4. A new section of Chapter 67, Article 3 NMSA
2 1978 is enacted to read:

3 "[NEW MATERIAL] REFUNDING BONDS. --

4 A. Transportation bonds issued pursuant to the
5 provisions of Chapter 67, Article 3 NMSA 1978 that are
6 outstanding may at any time and from time to time be refunded by
7 the state highway commission upon the adoption of a resolution
8 providing for such issuance and by the issuance of refunding
9 bonds in such amount as the commission determines to refund the
10 principal of the transportation bonds, all unpaid accrued and
11 unaccrued interest thereon to the normal maturity date of such
12 bonds or to selected prior redemption dates thereof, any
13 redemption premiums, any commission and all estimated costs
14 incidental to the issuance of such bonds and to such refunding
15 as may be determined by the commission.

16 B. The principal amount of any such refunding bonds
17 may be equal to, less than or greater than the principal amount
18 of the bonds so refunded.

19 C. Any refunding may be effected, whether the bonds
20 to be refunded have then matured or thereafter mature, either by
21 sale of the refunding bonds and the application of the proceeds
22 thereof for the payment of the bonds to be refunded or by
23 exchange of the refunding bonds for the bonds to be refunded;
24 provided that the bonds to be refunded shall not be canceled
25 without the consent of the holders to surrender their bonds for

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1 payment or exchange prior to the date on which they are payable
2 or if they are called for redemption prior to the date on which
3 they are by their terms subject to redemption.

4 D. Any refunding bonds issued pursuant to this
5 section shall be payable solely from the revenues out of which
6 transportation bonds may be payable or solely from those amounts
7 derived from an escrow as provided in this section, including
8 amounts derived from the investment of refunding bond proceeds
9 and other legally available amounts also provided in this
10 section or from any combination of those sources.

11 E. Proceeds of refunding bonds shall either be
12 applied immediately to the retirement of the bonds being
13 refunded or be placed in escrow in a commercial bank or trust
14 company that possesses and is exercising trust powers.
15 Notwithstanding any statute to the contrary, such escrowed
16 proceeds may be invested in short-term securities, long-term
17 securities or both. "

18 Section 5. A new section of Chapter 67, Article 3 NMSA
19 1978 is enacted to read:

20 " [NEW MATERIAL] TRANSPORTATION BONDS ELIGIBLE FOR
21 INVESTMENT. --Transportation bonds issued by the state highway
22 commission are hereby made securities in which all public
23 officers and public bodies of this state and its political
24 subdivisions and all insurance companies, trust companies,
25 banking associations, investment companies, executors,

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1 administrators, trustees and other fiduciaries may properly and
2 legally invest funds, including capital in their control or
3 belonging to them. Such bonds are securities which may properly
4 and legally be deposited with and be received by any state or
5 political subdivision officer for which the deposit of bonds or
6 obligations of the state is authorized by law. The bonds may be
7 deemed by the state highway commission, with the approval of the
8 state board of finance, certificates of deposit for purposes of
9 the investment of state money, in which case the commission
10 shall be deemed a New Mexico savings and loan association for
11 these purposes only; provided that the state board of finance
12 may waive all collateralization and other requirements as long
13 as it finds the bonds to be comparable in safety to other
14 investments of state funds. No bonds issued by the state
15 highway commission shall be eligible for investment or deposit
16 by or with the state or any of its political subdivisions unless
17 they have been rated AA or higher by an independent nationally
18 recognized bond rating service based solely on the security of
19 the bonds as investments without resort to any collateral
20 guarantees. No bonds shall be eligible for investment or
21 deposit by or with the state or any of its political
22 subdivisions unless the state highway commission has filed with
23 the legislative finance committee its decision to issue the
24 bonds and all of its findings and reasons in support of the
25 decision and one complete regular session of the legislature has

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1 intervened since the filing. "

2 Section 6. A new section to Chapter 67, Article 3 NMSA
3 1978 is enacted to read:

4 " [NEW MATERIAL] TRANSPORTATION BONDS-- EXEMPTION FROM
5 TAXATION. --The construction, operation and maintenance of any
6 transportation project by the state highway commission will
7 constitute the performance of an essential governmental
8 function. As such, the income from any transportation bonds
9 issued pursuant to Chapter 67, Article 3 NMSA 1978 shall at all
10 times be free from taxation by the state and by its political
11 subdivisions. "

12 Section 7. TEMPORARY PROVISION-- TRANSFER OF PERSONNEL,
13 ASSETS AND OBLIGATIONS. -- On July 1, 1996:

14 A. all personnel, appropriations, money, records,
15 property, equipment and supplies of the state transportation
16 authority shall be transferred to the state highway and
17 transportation department; and

18 B. all contracts, agreements and obligations of the
19 state transportation authority shall be binding and effective on
20 the state highway and transportation department.

21 Section 8. REPEAL. -- Sections 73-23-1 through 73-23-13 NMSA
22 1978 (being Laws 1985 (1st. S.S.), Chapter 14, Sections 1
23 through 13, as amended) are repealed.

24 Section 9. EFFECTIVE DATE. -- The effective date of the
25 provisions of this act is July 1, 1996.

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State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 13, 1996

Mr. Speaker:

Your TRANSPORTATION COMMITTEE, to whom has been referred

HOUSE BILL 787

has had it under consideration and reports same with recommendation that it DO PASS, and thence referred to the JUDICIARY COMMITTEE.

Respectfully submitted,

Daniel P. Silva, Chairman

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

HTC/HB 787

Page 9

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Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

Excused: Miera, Rodella

Absent: Olguin, Watchman, Whitaker

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